

**Minutes of AZ529, Arizona's Education Savings Plan  
Advisory Committee Meeting  
July 15, 2022**

The quarterly meeting of the AZ529, Arizona Education Savings Plan Advisory Committee (Committee) was held on July 15, 2022, via Webex and in-person. Treasurer Yee called the meeting to order at 1:04 p.m.

**Members Present:**

The Honorable Kimberly Yee, Chair, Arizona State Treasurer  
Dr. David Doré, President of Campuses and Executive Vice Chancellor, Pima Community College  
Keith Alexander, Special Assistant to the President for Community & Government Relations, Eastern Arizona College  
Dr. James Rund, Senior Vice President for Educational Outreach and Student Services, Arizona State University  
David Eaker, Campus President, The Refrigeration School  
Karen Mensing, Technology Integration Facilitator, Paradise Valley Unified School District  
The Honorable Myron Lizer, Vice President of the Navajo Nation  
Christine Burton, Co-Founder, Burton Family Foundation

**Members Absent:**

Len Munsil, President, Arizona Christian University  
Gary Schleuger, Vice President of State Government Affairs and Relations, University of Phoenix  
Maria Baier, Vice President of External Affairs, Great Hearts America

**Others Present:**

Mark Swenson, Deputy Treasurer, Arizona State Treasurer's Office, ASTO  
Jeffrey Ong, AZ529 Plan Administrator and Legislative Liaison, ASTO  
Shaandiin Parrish, AZ529 Plan Marketing Coordinator, ASTO  
Nick Barnhiser, Financial Systems Administrator, ASTO  
Alyssa Koury, Public Information Officer, ASTO

**I. Treasurer's Welcome and Opening Remarks**

Treasurer Yee called the July 15, 2022, quarterly meeting to order at 1:04 p.m. Treasurer Yee welcomed the Committee members and staff attending the meeting via Webex and in-person.

**II. Roll Call of Committee Members**

Treasurer Yee asked AZ529 Plan Administrator & Legislative Liaison, Mr. Jeffrey Ong, to do a formal roll call of the Committee members. Eight Committee members confirmed their presence for the meeting.

**III. Approval of Minutes of April 8, 2022, Committee Meeting**

Ms. Christy Burton moved that the April 8, 2022, Committee meeting minutes be approved as distributed. Seconded by Dr. James Rund. Motion carried unanimously.

#### **IV. AZ529 Plan Performance Update**

Treasurer Yee provided an update on plan performance since the AZ529, Arizona's Education Savings Plan (AZ529), transferred from the Postsecondary Education Commission to the Arizona State Treasurer's Office (ASTO) in October 2020. In just over 21 months, there were 20,356 new AZ529 accounts with total plan assets at \$1.78 billion, an increase of 9.4%.

Treasurer Yee shared it's her intent to go into every zip code and prioritize those areas where families haven't had training for vocational programs and higher education opportunities. To grow the program, she mentioned that AZ529 brochures were translated into the Spanish and Navajo languages. She expressed the desire to grow the program across the state and asked the Advisory Committee for their continued assistance.

Treasurer Yee asked Mr. Ong to provide an AZ529 Plan Performance Update. Mr. Ong stated that as of total AZ529 Plan Assets Under Management in June 2022 were down Year Over Year to \$1.8 billion. However, total AZ529 Accounts in June were up 4.7% Year Over Year to 99,184. Mr. Ong noted that these numbers reflect the last partial month for Ivy Investments as they transitioned out of the advisor sold plan on June 13, 2022—and Goldman Sachs 529 assumed control of all advisor-sold 529 assets and accounts. The decrease reflects a lack of marketing by Ivy during the past few months as they exited the business. While overall account numbers in the advisor plan are down, in just 13 days of running the program, Goldman added 63 total accounts and just under \$1 million in assets to the program, which is a decent start of a new program.

Additionally, Mr. Ong reported that Fidelity remains the largest AZ529 provider, with 62.5% of Assets and 63.7% of Accounts. Goldman Sachs 529, is the second largest provider, holding 35.3% of Assets and 34.1% of Accounts. College Savings Bank holds the remaining 2.2% of Assets and 2.2% of Accounts. Arizona residents held 48.5% of total Assets and 54.5% of total Accounts, with the rest held by Non-Residents.

Mr. Ong also updated the Committee that on June 13, 2022, there was a successful transition of advisor-sold plan accounts and assets from Ivy Investments to Ascensus College Savings Recordkeeping Services, LLC to serve as the new program manager/recordkeeper—and Goldman Sachs Asset Management, LP to serve as asset manager and distributor of the AZ529 advisor sold-plan. Ascensus/Goldman Sachs, which will manage the advisor-sold plan, joins Fidelity Investments, which will continue managing the direct-sold plan. Mr. Ong thanked Treasury Staff, the Board of Investment and Goldman Sachs/Ascensus for all their help continuing to make this a smooth and successful transition.

Treasurer Yee thanked Mr. Ong for the update and asked Ms. Parrish to provide an AZ529 Plan Marketing Update. Ms. Parrish shared the AZ529 marketing trends for the past quarter. Over the last quarter, AZ529 social media accounts have accumulated 1.01 million total impressions and an average of 504,000 average impressions per month. For the

quarter, there were 2,500 total clicks which averages to just over 1,000 clicks per month. Spanish speaking parents had the highest engagement during the quarter.

Ms. Parrish also reported on the successful completion of the AZ529 Future Career Art Contest. On May 8, 2022, the contest closed with 216 statewide entries which were evaluated by judges from the AZ529 Advisory Committee and the Financial Literacy Task Force. On May 25, 2022, Treasurer Yee announced the 12 winners from the art contest with each winner receiving \$529 toward a new or existing AZ529 Plan account. Additionally, Ms. Parrish reported another successful outreach event at the BabyPalooza event to new and expecting parents.

Treasurer Yee noted that there was great outreach to schools with free and reduced-price lunch populations and visits to multiple types of schools with primary Spanish speakers.

Ms. Parrish reported there were 216 entries from multiple counties including from district, charter, homeschool and tribal schools. Treasurer Yee noted that there was widespread coverage of the art contest and of the awards ceremony in many community newspapers across the state. She suggested that future contests will be open to a wide variety of students too.

Ms. Christy Burton noted she was honored to be a judge for the art contest and the opportunity to see the wide variety of career interests from students. She thanked the staff for their efforts and help with the contest. Treasurer Yee noted that she was please to meet with the student winner from Tuba City during the awards ceremony and noted that while the student was always shy to share her artwork, this contest provided a great opportunity to share her artwork with more people. She noted plans to engage more preschoolers in future career art contests.

Mr. Ong also reported there was a great variety of student winners from district, charter, homeschool, private and tribal schools from across the state. Treasurer Yee noted that all marketing efforts for the AZ529 Plan come from the providers, and do not use taxpayer funds. Everything is done from program funds from providers to market the AZ529 Plan.

## **V. Committee Discussion and Next Steps**

Treasurer Yee thanked staff for presenting and asked the Committee for any questions or ideas on promoting and raising awareness of the AZ529 Plan.

Treasurer Yee thanked Ms. Christy Burton for agreeing to serve on a sub-committee for outreach. She asked any additional members who are interested in serving on the sub-committee to please notify staff of their interest. She reported there was opportunities for outreach to additional communities including seniors and grandparents. Treasurer Yee noted there are opportunities to let people know that AZ529 monies can be spent not only on traditional university, but also workforce development and vocational education as well.

Additionally, Treasurer Yee reported that during the last legislative session there was legislation passed to add two new advisory committee members. She noted the purpose

was to expand the program beyond where it is today. These new members include one member representing an accredited private school or organization offering K-12 instruction in the private school setting and an additional public member representing an Arizona based non-profit organization. Treasurer Yee asked for the Task Force's input in selecting the additional members by the end of the year.

Finally, she asked Mr. Ong to update the Task Force regarding a question about how the 529 plan in Idaho excluded the SNAP benefit program. Mr. Ong reported that Christie Stoll, the Executive Director of the Idaho College Savings Program, provided additional information about how Idaho excludes their 529 Program from being considered as a resource for the SNAP benefits program. The exclusion was part of their program prior to 2013 and is found in the Idaho Health and Welfare Administrative Rules. This applies to both 529 Savings Plans and Coverdell Educational Savings Accounts.

Additionally, Mr. Ong noted that Director Stoll mentioned this was a great benefit for families who are in the SNAP benefit program yet are concerned that their savings would be counted as part of their income and is a great outreach effort.

Treasurer Yee added that the AZ529 marketing partners were working on new testimonials to reach potential new audiences for the AZ529 Plan. Those new audience include single individuals who want to save for future education as they look to develop new skill sets. Ms. Christy Burton agreed that testimonials from students who benefited from the program would also be a good idea on how savings has helped them achieve their educational goals.

Treasurer Yee reported to the Advisory Committee that a backpack drive will be starting as part of financial literacy outreach efforts. Treasurer Yee noted Fidelity will be donating some drawstring backpacks.

### **FY 2023 Marketing Events**

Ms. Parrish outlined the proposed marketing events for FY 2023. This includes the 5<sup>th</sup> Grade Essay Writing Contest in August and September and marketing the event through backpack distribution efforts. In October, the essay contest winners will be announced.

Additionally, Ms. Parrish noted that in January and February 2023, preparations will be underway for the AZ529 Art Contest. The winners will be announced in March 2023. Finally, in April financial literacy will be promoted through the Piggy Bank Pizza Party programs while visiting Boys and Girls Clubs.

Treasurer Yee asked Task Force members to consider donations from organizations to add into the backpack giveaway items. She also invited members of the Task Force to join in on distribution events.

## **VI. Call to the Public**

Treasurer Yee opened the floor for public comment via the Webex chat feature. There was no public comment.

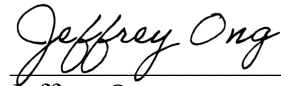
**VII. Treasurer’s Closing Remarks and Notice of Next Meeting**

Treasurer Yee announced that the next Advisory Committee meetings are tentatively scheduled for September 20<sup>th</sup> and December 6<sup>th</sup>.

**VIII. Adjournment**

With no further business to discuss, Ms. Christy Burton made a motion to adjourn the meeting. Seconded by Dr. David Doré. The meeting was adjourned at 1:40 p.m.

Respectfully Submitted by:



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Jeffrey Ong  
AZ529 Plan Administrator  
& Legislative Liaison

Approved by:



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Kimberly Yee  
Chair

September 22, 2022  
Date